L&T Finance Limited (Revised)

January 05, 2022

Rating

Facilities/Instruments	Amount (Rs. crore)	Rating[1]	Rating Action
Long-term Bank Facilities	42,850.00 (Enhanced from 42,800.00)	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Total Bank Facilities	**42,850.00 (Rs. Forty-two thousand eight hundred fifty crores only)**		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. has reaffirmed the ratings assigned to the long-term bank facilities of L&T Finance Limited (LTFHL) with Stable outlook. The ratings is based on consolidated business and financial risk profile of LTFHL, the holding company of the group's financial services businesses. The ratings continues to factor in the strong linkages of LTFHL with the ultimate parent Larsen & Toubro Limited (L&T), strategic importance of financial services business to the group, demonstrated track record of financial support from L&T Group when required, shared brand name and managerial support in the form of Board-level representation on LTFHL's Board and representation in some of the key committees. Furthermore, reinforcing L&T Group's commitment towards LTFHL and LTF is the stated intent of the group to focus on services vertical.

The rating further factors in LTFHL's strong portfolio spread across various asset classes with increasing retailisation and granularisation of the book, experienced management team, its strong resource-raising ability, coupled with comfortable liquidity position as on September 30, 2021.

The above strengths are partially offset by moderate asset quality, with Gross Stage 3 of 5.74% as on September 30, 2021. The rating also factors in elevated credit costs attributed to the Covid-19 pandemic, and the Management's stance of accelerated provisioning through Management overlay, over and above regulatory ECL provisioning, resulting in subdued profitability, although it is expected to provide some cushion to absorb any asset side shocks due to resurgence of the pandemic, in CARE Ratings Ltd's opinion. Furthermore, CARE Ratings Ltd takes note of the Management's stated stance that the company will continue to focus on asset quality, profitability, and sustainable growth.

CARE Ratings Ltd. also takes note of the recent announcement by the company vide press release dated December 23, 2021, with respect to the proposed sale of 100% of the paid-up share capital of L&T Investment Management Limited (LTIML), a wholly-owned subsidiary of LTFHL and the asset manager of L&T Mutual Fund, to HSBC Asset Management (India) Private Limited (HSBC AMC), subject to requisite regulatory approvals. LTIM's net worth constituted 3.43% of LTFHL's (consolidated) net worth as on March 31, 2021.

Rating sensitivities

Positive Factors: Not Applicable

Negative Factors: Factors that could individually or collectively lead to negative rating action/downgrade:

- Weakening of the parent's (L&T Limited) credit profile.
- Material dilution in the shareholding of L&T Ltd. in LTFHL or reduction of strategic importance from L&T Group to LTFHL, beyond CARE Ratings Ltd's comfort.
- Material deterioration in asset quality for LTFHL (Consolidated), with Net Stage 3 / Net Worth remaining above 20% on a sustained basis.
- Increase in gearing (Debt/ Net-worth) beyond 8x levels at LTFHL (consolidated) on a sustained basis.

Detailed description of the key rating drivers

Key Rating Strengths

Strong parentage and strategic importance for the parent company/Group

LTF is held 100% by LTFHL, which in turn is held 63.59% by L&T Limited. Financial services business is strategic and integral part of the overall L&T Group's business objectives, which is evident through L&T's support on operational, managerial and financial front to LTFHL. L&T's equity infusion of Rs.1,900 crore through rights issue of LTFHL in February 2021 and earlier Rs.2,000 crore in FY18 (refers to the period April 1 to March 31) demonstrates L&T's ability and intent to render financial support to the financial business. The presence of liquidity and credit line from L&Ts to LTFHL, to the tune of Rs.2,000 crore, further reemphasizes the financial support. On Managerial front, L&T provides strategic oversight with representations on the Board and

[1]Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

crucial committees such as Risk Management Committee, Audit Committee, Asset Liability Management Committee, etc. Also, L&T Ltd being major technology, engineering, construction and manufacturing conglomerate with global operations and decades of experience, immensely benefits the financial services business especially the infrastructure and real estate underwriting.
Thus, LTFHL's ratings derive significant strength from L&T and any material weakening of L&T's credit profile or dilution of LTFHL's strategic linkages with L&T or reduction in L&T's support to LTFHL will be considered as a credit negative. For FY21, L&T clocked a revenue of Rs.139,408 crore with an EBITDA of Rs.26,744 crore. Furthermore, L&T has maintained a healthy order book providing it a revenue visibility in the medium term.

Diversified product profile and revenue streams, with increasing share of retail asset classes
LTFHL has presence across various financial services like retail finance, wholesale finance and investment management services. In retail finance (47% of the book as on September 30, 2021), the company primarily deals in two-wheeler financing, micro loans, farm equipment, housing loans and consumer loans. In wholesale finance (50% of the book as on September 30, 2021), it primarily does infrastructure finance and real estate finance. The balance is the defocused book (mainly consisting of DCM and Structured Corporate Finance book classified as defocused since Q1FY20) which stood at Rs.2,470 crore (around 3% of overall book) as on September 30, 2021. Total loan portfolio consisted of two-wheeler (8%), micro loans (13%), housing loans/LAP (12%), farm equipment (13%), real estate (14%), infrastructure finance (36%), consumer loan (1%) and defocused book (3%) as on September 30, 2021. The company has adopted retailisation strategy which is evident from the increasing retail book proportion to 47% as on September 30, 2021 from 27% as on March 31, 2017. Although wholesale component of the book still remains to be sizable at 50%, it is expected to decline going forward on account of repayments and pre-payments in the near term. Furthermore, over the medium to long-term LTFHL plans to increase the share of retail assets to 60%.

The investment management services business is conducted through L&T Investment Management Limited (LTIML), a wholly-owned subsidiary of L&T Finance Holdings Limited, LTIML is the asset management company of L&T Mutual Fund (L&T MF), the Average Asset under Management (AAUM) of the Fund for the quarter ended September 30, 2021, stood at Rs.78,274 crore as compared with Rs.72,728 crore for the quarter ended March 31, 2021.

Furthermore, the company vide press release dated December 23, 2021, announced the proposed sale of 100% of the paid-up share capital of L&T Investment Management Limited (LTIML), a wholly-owned subsidiary of LTHFL and the asset manager of L&T Mutual Fund, to HSBC Asset Management (India) Private Limited (HSBC AMC), subject to requisite regulatory approvals. LTIM's net worth constituted 3.43% of LTFHL's (consolidated) net worth as on March 31, 2021.

Adequate capital position to support business with strong back-up from the Parent to provide reasonable cushion to absorb asset side shocks, if any, going forward
The consolidated capital adequacy ratio (CAR) and Tier I CAR stands at 25.16% and 20.06%, respectively, as on September 30, 2021 compared with 21.37% and 17.29%, respectively, as on September 30, 2020, which is significantly higher than the regulatory requirement of 15%, giving a comfortable headroom for absorbing any exigencies.
Furthermore, L&T has demonstrated continued capital support in the past. CARE Ratings Ltd understands from L&T's Management that a sizeable amount is earmarked for capital support to the financial services business in case of any exigencies. L&T's consolidated networth as on March 31, 2021, stood at Rs.87,920 crore with cash balance on balance sheet at Rs.16,242 crore, reflecting L&T's ability to support LTFHL as well.

Diversified funding avenues with strong resource raising ability resulting in comfortable liquidity profile
During FY21, LTFHL was able to raise long-term borrowings to the tune of Rs.15,629 crore despite challenging environment at cost effective rates, primarily through private placement of NCDs. The Weighted Average Cost (WAC) of borrowing across the resources declined from 8.32% in Q2FY21 to 7.53% in Q2FY22. Furthermore, LTFHL holds diversified resources with around 45% contributed by NCDs (Private placement), 36% by Bank Loans, 7% by Retail NCDs, 6% by CPs, 5% via ECBs and 1% through other routes, as on September 30, 2021. The proportion of CPs has also fallen over a period of time from 16% as on March 31, 2019 to 6% as on September 30, 2021. Also, majority of the borrowings made were long term in nature, with an average tenor of 1-3 years. The liquidity position is further augmented by Rs.13, 122 crore of liquid funds (cash, FDs and other liquid investment) as on September 30, 2021, combined with the backup line of Rs.2,000 crore from L&T and adequate undrawn bank lines of Rs.7,596 crore as on September 30, 2021. The company has historically demonstrated its ability to raise long-term funding from broad-based sources and we expect it will continue to do so in the long term as well. Going forward, LTFHL's continued ability to augment the resource profile at cost-effective rates will be key to its profitability.

Key Rating Weaknesses
Moderate asset quality on account of the pandemic situation and legacy infrastructure book

From FY19 onwards, the company adopted Expected Credit Loss (ECL) model for classification of advances in Stage I, Stage II and Stage III and consequent provisioning on the same. Gross stage 3 and Net Stage 3 stood at 4.97% and 1.57%, respectively, as on March 31, 2021, compared with 5.36% and 2.28%, respectively, as on March 31, 2020. The provision coverage ratio stood at 69% as on March 31, 2021, compared with 59% as on March 31, 2020. Furthermore, the company reported a major slippage in Real Estate (RE) loan book, towards a large developer, leading to a significant uptick in the GS3 for RE and Housing loan book to 5.98% as on September 30, 2021, from 1.46% as on March 31, 2021. Furthermore, the overall GS3 and NS3 as on September 30, 2021 stood at 5.74% and 2.81% as on September 30, 2021, (GS3 of 5.19% and NS3 of 1.67% as on September 30, 2020).
Under the One-time restructuring scheme, announced by the Reserve Bank of India (RBI), LTFHL has restructured assets worth Rs.3,014 crore (3.5% of AUM) till Q2FY22. Further, LTFH is carrying 2.22% provisioning which is over and above the ECL provisioning, which is to the tune of Rs.1,747 crore as on September 30, 2021, these overlay provisions are made to deal with any future uncertainties like pandemic-related economic shocks. Further, the overall provisioning as a % of standard assets (over and above GS3 provisions) of Rs.2,190 crore (2.78% of standard assets), as on September 30, 2021. With respect to some of the legacy stressed exposures in LTFHL's infrastructure book, the company is trying to reduce these exposures by selling or through resolution process.
Given, the aftereffects of the pandemic are not yet completely waned out, CARE Ratings Ltd expects LTFHL's asset quality to remain anchored on the vulnerability of income profiles of the borrowers in rural segment and resolution in the legacy infrastructure book. Having said that, CARE Ratings Ltd also acknowledges that the prudent, proactive, and accelerated provisioning policy adopted by LTFHL's Management should cushion the profitability and balance sheet from asset side risks in the near term.

Moderation in lending portfolio and profitability in FY21, with marginal improvement in profitability during Q2FY22
LTFHL's AUM declined to Rs.94,014 crore as on March 31, 2021, as compared with Rs.98,385 crore as on March 31, 2020. The decline was led by the nationwide lockdown due to Covid leading to subdued business activity in the industry and significant amount of prepayments and repayments witnessed in the Infrastructure loan book. The same trend continued in Q1FY22 on account of the Covid second wave and high prepayments/repayments pressure in infrastructure loans, with overall AUM reducing to Rs.88,440 as on June 30, 2021 crore as compared with Rs.94,014 crore as on March 31, 2021. However, in Q2FY22 the collections normalized across businesses, disbursement in rural have picked up and in infrastructure book the thrust continued on portfolio retention by containing prepayments / sell down (overall AUM of Rs.86,936 crore as on September 30, 2021). Furthermore, as cited by the management going forward, the focus would continue on a sustainable growth while maintaining a healthy asset quality and profitability.
During FY21, LTFHL reported consolidated PAT of Rs.949 crore on a total income of Rs.14,080 crore as against the PAT of Rs.2,174 crore on a total income of Rs.14,474 crore for FY20. The decline in net profit was mainly on account of increased credit cost, including accelerated macro prudential provisions created on account of Covid, to the tune of Rs.2,978 crore in FY21 as compared with Rs.1,994 crore in FY20. The ROTA declined to 0.89% in FY21 from 1.59% in FY20. However, during Q2FY22, the profitability improved with PAT of Rs.223 crore as compared with Rs.177 crore in Q1FY22, majorly driven by reduction in provisioning cost. Although the profitability metrics might show a sign of recovery, any resurgence of another wave of Covid could inflict incremental stress on the profitability metrics going forward, and hence remains to be a monitorable.

Presence in relatively riskier asset class
On the rural loans side, the Micro Loans (ML) segment remain risky on account of the nature of the customer profile and vulnerability of the borrowers' cash flows to economic shocks, as majority of the rural borrowers belong to the lower socio-economic background. In the Farm Loans (FL) segment, cashflows are subjected to volatilities in the climatic conditions in different geographies. Furthermore, the Two-Wheeler (2W) segment is highly susceptible to the downturns in the economy.
However, LTFHL has managed to mitigate these risks by stringent underwriting policies and diligent collection mechanism, which is demonstrated in its healthy collection efficiency relative to its peers.
On the wholesale side, while the real estate sector had witnessed strong upsurge in demand during FY21, the sector has also been experiencing heightened risk on account of delays in construction and cash flows. Therefore, the asset quality in this segment is a key monitorable. However, the fact that LTFHL has control over cash flows through creation of escrow accounts, control over vendor payment and focused & continuous monitoring of the project, with sole lending relationship in majority of the projects, partially mitigates the risk. RE loans are majorly sanctioned to Category A developers, which further adds some comfort towards the project completion risk.
Similarly, moderation in liquidity in some of the project assets in the infrastructure space primarily attributed to delays in collections from Discoms can be seen. Given large ticket size and hence exposure to asset quality shocks, inherent risk in infrastructure financing remains. To mitigate the risks, the group mainly focuses on renewables and roads sector and has established a strong underwriting and sell down model with adequate liquidity buffers.

Liquidity Profile - Strong:
The consolidated ALM profile as on September 30, 2021, had cumulative positive mismatches upto 1-year bucket. It includes liquid assets in the form of cash, FD's and liquid investments of Rs.13,122 crore as at September 30, 2021. Apart from the above, the company has undrawn bank lines of Rs.7,596 crore as on September 30, 2021 and backup line of Rs.2,000 crore from L&T. Furthermore, the group's resource raising capability through integrated treasury also provides comfort.

Analytical approach:
L&T Finance Holdings Limited (LTFHL), is the holding company for the financial services business of the L&T group, which owns (directly and indirectly) 100% in all of its subsidiaries. Management/line functions for these businesses is common with significant operational and financial integration among them. Accordingly, CARE Ratings Ltd has considered a consolidated view for arriving at the rating of LTFL. CARE Ratings Ltd has also factored in the linkages with L&T and strategic importance of the financial services business to the group. The list of the subsidiaries considered for consolidation is as per Annexure 3.

Applicable Criteria
Criteria on assigning Outlook to Credit Ratings
CARE's Policy on Default Recognition
Financial ratios – Financial sector
Rating Methodology: Consolidation
Rating Methodology: Notching by factoring linkages in Ratings
CARE's Criteria for Market Linked Notes/Debentures
Criteria for Short Term Instruments
Rating Methodology – Non-Banking Finance Companies

About L&T Finance Holdings Limited
LTFHL is an RBI registered Non-Banking Finance Company - Core Investment Company (NBFC – CIC) and holding company for the financial services entities of the L&T group. As on March 31, 2021, L&T held 63.62% equity stake in LTFHL. The group has three key business segments, namely, rural finance (comprising farm equipment, two wheeler, micro loans and consumer loans), housing finance (comprising home loans and LAP) and wholesale lending (comprising infra finance and real estate finance).

Brief Financials (Rs. crore) (Consolidated)	FY19	FY20	FY21	Q2FY22
	12M, A	12M, A	12M, A	3M, UA
Total income	13,301	14,564	14,116	3,134
PAT	2,232	1,700	949	223
Adjusted Gearing (times)#	7.87	7.40	5.35	4.95
Total Tangible Assets	1,06,055	1,07,307	1,06,563	1,03,018
Net Stage 3 (%)	2.40	2.28	1.57	2.81
ROTA (%) (PAT/Average Total Assets)	2.29	1.59	0.89	0.85*

A: Audited *#Adjusted Gearing is Total borrowings / Tangible Networth; *Annualized*

About L&T Finance Limited
L&T Finance Limited (LTFL) was originally incorporated as Apeejay Finance Group Ltd. in 1993. In September 2006, Societe Generale Consumer Finance (SGCF), a division of Societe Generale Group, France, acquired 45% stake in the company and gradually increased its stake to 100% by October 2007. Subsequently, the company's name was changed to Family Credit Limited (FCL). In December 2012, LTFHL (rated 'CARE AAA; Stable'), the flagship holding company for the financial services of the L&T Group, acquired 100% shareholding in FCL. During March 2017, L&T Finance Limited (pre-merger) and L&T FinCorp Limited amalgamated with Family Credit Limited. The amalgamated entity was renamed as L&T Finance Limited.
Furthermore, post the approval of the proposed scheme of amalgamation, through merger of L&T Infrastructure Finance Company Limited (LTIF) and L&T Housing Finance Limited (LTHF) with L&T Finance Limited (LTFL), by NCLT Mumbai on March 15, 2021 and by NCLT Kolkata on March 19, 2021, and the subsequent approval of the same by the Board of LTF, LTIF and LTHF will stand merged with LTF and cease to exist from April 12, 2021. As on March 31, 2021, LTFL had loan portfolio of Rs.83,995 crore.

Brief Financials (Rs. crore)	FY20 (A)	FY21 (A)	H1FY22 (UA)
Total income	13,042	12,693	5,677
PAT	701	1.36	256
Overall Gearing (times)	6.2	5.7	5.3
Total Assets (adjusted for Intangible assets and Deferred Tax assets)	96,997	94,490	91,475
Gross Stage 3 (%)	5.5^	5.5	6.2
ROTA (%) (PAT/Average Total Assets)	1.09	NM	0.55

A: Audited; ^on Standalone Basis; NA: Not Available

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure 2

Complexity level of various instruments rated for this company: Please refer Annexure 4.

Covenants of rated instrument / facility: Not Applicable

Annexure-1: Details of Instruments/Facilities

Instrument Name	ISIN	Issue Date	Maturity Date	Coupon (%)	O/s as on Nov'21	Ratings assigned along with Rating Outlook
Long Term Bank Facilities	-	-	-	-	29,636.00	CARE AAA; Stable
Long Term Bank Facilities-(Proposed)	-	-	-	-	13,214.00	CARE AAA; Stable

***As on November 30, 2021**

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1	Debentures-Non Convertible Debentures	LT	300.00	CARE AAA; Stable	1)CARE AAA; Stable (30-Sep-21) 2)CARE AAA; Stable (21-May-21) 3)CARE AAA; Stable (21-Apr-21)	1)CARE AAA; Stable (08-Oct-20) 2)CARE AAA; Stable (21-Aug-20)	1)CARE AAA; Stable (21-Aug-19)	1)CARE AAA; Stable (08-Oct-18)
2	Commercial Paper-Commercial Paper (Standalone)	ST	13500.00	CARE A1+	1)CARE A1+ (30-Sep-21) 2)CARE A1+ (21-May-21) 3)CARE A1+ (21-Apr-21)	1)CARE A1+ (08-Oct-20) 2)CARE A1+ (21-Aug-20)	1)CARE A1+ (21-Aug-19)	1)CARE A1+ (08-Oct-18)
3	Borrowings-Secured Long Term Borrowings	LT	2300.00	CARE AAA; Stable	1)CARE AAA; Stable (30-Sep-21) 2)CARE AAA; Stable (21-May-21) 3)CARE AAA; Stable (21-Apr-21)	1)CARE AAA; Stable (08-Oct-20)	1)CARE AAA; Stable (21-Aug-19)	1)CARE AAA; Stable (08-Mar-19) 2)CARE AAA; Stable (08-Oct-18)
4	Debt-Subordinate Debt	LT	100.00	CARE AAA; Stable	1)CARE AAA; Stable (30-Sep-21) 2)CARE AAA; Stable	1)CARE AAA; Stable (08-Oct-20) 2)CARE AAA; Stable	1)CARE AAA; Stable (21-Aug-19)	1)CARE AAA; Stable (08-Oct-18)

					(21-May-21) 3)CARE AAA; Stable (21-Apr-21)	(21-Aug-20)		
5	Debentures-Non Convertible Debentures	LT	300.00	CARE AAA; Stable	1)CARE AAA; Stable (30-Sep-21) 2)CARE AAA; Stable (21-May-21) 3)CARE AAA; Stable (21-Apr-21)	1)CARE AAA; Stable (08-Oct-20) 2)CARE AAA; Stable (21-Aug-20)	1)CARE AAA; Stable (21-Aug-19)	1)CARE AAA; Stable (08-Oct-18)
6	Debt-Subordinate Debt	LT	50.00	CARE AAA; Stable	1)CARE AAA; Stable (30-Sep-21) 2)CARE AAA; Stable (21-May-21) 3)CARE AAA; Stable (21-Apr-21)	1)CARE AAA; Stable (08-Oct-20) 2)CARE AAA; Stable (21-Aug-20)	1)CARE AAA; Stable (21-Aug-19)	1)CARE AAA; Stable (08-Oct-18)
7	Debentures-Non Convertible Debentures	LT	400.00	CARE AAA; Stable	1)CARE AAA; Stable (30-Sep-21) 2)CARE AAA; Stable (21-May-21) 3)CARE AAA; Stable (21-Apr-21)	1)CARE AAA; Stable (08-Oct-20) 2)CARE AAA; Stable (21-Aug-20)	1)CARE AAA; Stable (21-Aug-19)	1)CARE AAA; Stable (08-Oct-18)
8	Debentures-Non Convertible Debentures	LT	350.00	CARE AAA; Stable	1)CARE AAA; Stable (30-Sep-21) 2)CARE AAA; Stable (21-May-21) 3)CARE AAA; Stable (21-Apr-21)	1)CARE AAA; Stable (08-Oct-20) 2)CARE AAA; Stable (21-Aug-20)	1)CARE AAA; Stable (21-Aug-19)	1)CARE AAA; Stable (08-Oct-18)
9	Debentures-Non Convertible Debentures	LT	750.00	CARE AAA; Stable	1)CARE AAA; Stable (30-Sep-21) 2)CARE AAA; Stable (21-May-21) 3)CARE AAA; Stable (21-Apr-21)	1)CARE AAA; Stable (08-Oct-20) 2)CARE AAA; Stable (21-Aug-20)	1)CARE AAA; Stable (21-Aug-19)	1)CARE AAA; Stable (08-Oct-18)
10	Debt-Subordinate Debt	LT	75.00	CARE AAA; Stable	1)CARE AAA; Stable (30-Sep-21)	1)CARE AAA; Stable (08-Oct-20)	1)CARE AAA; Stable (21-Aug-19)	1)CARE AAA; Stable (08-Oct-18)

					2)CARE AAA; Stable (21-May-21) 3)CARE AAA; Stable (21-Apr-21)	2)CARE AAA; Stable (21-Aug-20)		
11	Debt-Subordinate Debt	LT	100.00	CARE AAA; Stable	1)CARE AAA; Stable (30-Sep-21) 2)CARE AAA; Stable (21-May-21) 3)CARE AAA; Stable (21-Apr-21)	1)CARE AAA; Stable (08-Oct-20) 2)CARE AAA; Stable (21-Aug-20)	1)CARE AAA; Stable (21-Aug-19)	1)CARE AAA; Stable (08-Oct-18)
12	Debt-Perpetual Debt	LT	100.00	CARE AA+; Stable	1)CARE AA+; Stable (30-Sep-21) 2)CARE AA+; Stable (21-May-21) 3)CARE AA+; Stable (21-Apr-21)	1)CARE AA+; Stable (08-Oct-20) 2)CARE AA+; Stable (21-Aug-20)	1)CARE AA+; Stable (21-Aug-19)	1)CARE AA+; Stable (08-Oct-18)
13	Debentures-Non Convertible Debentures	LT	4400.00	CARE AAA; Stable	1)CARE AAA; Stable (30-Sep-21) 2)CARE AAA; Stable (21-May-21) 3)CARE AAA; Stable (21-Apr-21)	1)CARE AAA; Stable (08-Oct-20) 2)CARE AAA; Stable (21-Aug-20)	1)CARE AAA; Stable (21-Aug-19)	1)CARE AAA; Stable (08-Oct-18)
14	Debt-Subordinate Debt	LT	350.00	CARE AAA; Stable	1)CARE AAA; Stable (30-Sep-21) 2)CARE AAA; Stable (21-May-21) 3)CARE AAA; Stable (21-Apr-21)	1)CARE AAA; Stable (08-Oct-20) 2)CARE AAA; Stable (21-Aug-20)	1)CARE AAA; Stable (21-Aug-19)	1)CARE AAA; Stable (08-Oct-18)
15	Debentures-Non Convertible Debentures	LT	-	-	1)Withdrawn (21-Apr-21)	1)CARE AAA; Stable (08-Oct-20) 2)CARE AAA; Stable (21-Aug-20)	1)CARE AAA; Stable (21-Aug-19)	1)CARE AAA; Stable (08-Oct-18)
16	Debt-Perpetual Debt	LT	250.00	CARE AA+; Stable	1)CARE AA+; Stable (30-Sep-21) 2)CARE AA+; Stable (21-May-21)	1)CARE AA+; Stable (08-Oct-20) 2)CARE AA+; Stable (21-Aug-20)	1)CARE AA+; Stable (21-Aug-19)	1)CARE AA+; Stable (08-Oct-18)

					3)CARE AA+; Stable (21-Apr-21)			
17	Fund-based - LT-Term Loan	LT	18450.00	CARE AAA; Stable	1)CARE AAA; Stable (30-Sep-21) 2)CARE AAA; Stable (21-May-21) 3)CARE AAA; Stable (21-Apr-21)	1)CARE AAA; Stable (08-Oct-20)	1)CARE AAA; Stable (21-Aug-19)	1)CARE AAA; Stable (08-Mar-19) 2)CARE AAA; Stable (08-Oct-18)
18	Debt-Perpetual Debt	LT	150.00	CARE AA+; Stable	1)CARE AA+; Stable (30-Sep-21) 2)CARE AA+; Stable (21-May-21) 3)CARE AA+; Stable (21-Apr-21)	1)CARE AA+; Stable (08-Oct-20) 2)CARE AA+; Stable (21-Aug-20)	1)CARE AA+; Stable (21-Aug-19)	1)CARE AA+; Stable (08-Oct-18)
19	Fund-based - LT-Term Loan	LT	5250.00	CARE AAA; Stable	1)CARE AAA; Stable (30-Sep-21) 2)CARE AAA; Stable (21-May-21) 3)CARE AAA; Stable (21-Apr-21)	1)CARE AAA; Stable (08-Oct-20)	1)CARE AAA; Stable (21-Aug-19)	1)CARE AAA; Stable (08-Mar-19) 2)CARE AAA; Stable (08-Oct-18)
20	Debt-Subordinate Debt	LT	625.00	CARE AAA; Stable	1)CARE AAA; Stable (30-Sep-21) 2)CARE AAA; Stable (21-May-21) 3)CARE AAA; Stable (21-Apr-21)	1)CARE AAA; Stable (08-Oct-20) 2)CARE AAA; Stable (21-Aug-20)	1)CARE AAA; Stable (21-Aug-19)	1)CARE AAA; Stable (08-Oct-18)
21	Debentures-Non Convertible Debentures	LT	3625.00	CARE AAA; Stable	1)CARE AAA; Stable (30-Sep-21) 2)CARE AAA; Stable (21-May-21) 3)CARE AAA; Stable (21-Apr-21)	1)CARE AAA; Stable (08-Oct-20) 2)CARE AAA; Stable (21-Aug-20)	1)CARE AAA; Stable (21-Aug-19)	1)CARE AAA; Stable (08-Oct-18)
22	Commercial Paper-Commercial Paper (IPO Financing)	ST	0.00	Temp Withdrawn	-	-	-	1)Temp Withdrawn (28-Aug-18) 2)CARE A1+ (25-Jul-18)

								3)Temp Withdrawn (23-Jul-18) 4)Temp Withdrawn (21-Jun-18) 5)CARE A1+ (21-Jun-18)
36	Bonds-Infrastructure Bonds	LT	1800.00	CARE AAA; Stable	1)CARE AAA; Stable (30-Sep-21) 2)CARE AAA; Stable (21-May-21)	-	-	-
23	Debentures-Market Linked Debentures	LT	500.00	CARE PP-MLD AAA; Stable	1)CARE PP-MLD AAA; Stable (30-Sep-21) 2)CARE PP-MLD AAA; Stable (21-May-21) 3)CARE PP-MLD AAA; Stable (21-Apr-21)	1)CARE PP-MLD AAA; Stable (08-Oct-20) 2)CARE PP-MLD AAA; Stable (21-Aug-20)	1)CARE PP-MLD AAA; Stable (21-Aug-19)	1)CARE PP-MLD AAA; Stable (08-Oct-18)
24	Debentures-Non Convertible Debentures	LT	1000.00	CARE AAA; Stable	1)CARE AAA; Stable (30-Sep-21) 2)CARE AAA; Stable (21-May-21) 3)CARE AAA; Stable (21-Apr-21)	1)CARE AAA; Stable (08-Oct-20) 2)CARE AAA; Stable (21-Aug-20)	1)CARE AAA; Stable (21-Aug-19)	1)CARE AAA; Stable (08-Oct-18) 2)CARE AAA; Stable (05-Sep-18)
25	Debt-Non-convertible Debenture/Subordinate Debt	LT	5000.00	CARE AAA; Stable	1)CARE AAA; Stable (30-Sep-21) 2)CARE AAA; Stable (21-May-21) 3)CARE AAA; Stable (21-Apr-21)	1)CARE AAA; Stable (08-Oct-20) 2)CARE AAA; Stable (21-Aug-20)	1)CARE AAA; Stable (21-Aug-19)	1)CARE AAA; Stable (31-Dec-18) 2)CARE AAA; Stable (25-Dec-18)
26	Debentures-Non Convertible Debentures	LT	4375.00	CARE AAA; Stable	1)CARE AAA; Stable (30-Sep-21) 2)CARE AAA; Stable (21-May-21) 3)CARE AAA; Stable (21-Apr-21)	1)CARE AAA; Stable (08-Oct-20) 2)CARE AAA; Stable (21-Aug-20)	1)CARE AAA; Stable (21-Aug-19)	1)CARE AAA; Stable (08-Mar-19)

27	Debentures-Market Linked Debentures	LT	1000.00	CARE PP-MLD AAA; Stable	1)CARE PP-MLD AAA; Stable (30-Sep-21) 2)CARE PP-MLD AAA; Stable (21-May-21) 3)CARE PP-MLD AAA; Stable (21-Apr-21)	1)CARE PP-MLD AAA; Stable (08-Oct-20) 2)CARE PP-MLD AAA; Stable (21-Aug-20)	1)CARE PP-MLD AAA; Stable (21-Aug-19) 2)CARE PP-MLD AAA; Stable (23-May-19)	-
28	Debt-Non-convertible Debenture/Subordinate Debt	LT	5000.00	CARE AAA; Stable	1)CARE AAA; Stable (30-Sep-21) 2)CARE AAA; Stable (21-May-21) 3)CARE AAA; Stable (21-Apr-21)	1)CARE AAA; Stable (08-Oct-20) 2)CARE AAA; Stable (21-Aug-20)	1)CARE AAA; Stable (19-Nov-19)	-
29	Commercial Paper-Commercial Paper (Standalone)	ST	12500.00	CARE A1+	1)CARE A1+ (30-Sep-21) 2)CARE A1+ (21-May-21) 3)CARE A1+ (21-Apr-21)	-	-	-
30	Debt-Subordinate Debt	LT	4400.00	CARE AAA; Stable	1)CARE AAA; Stable (30-Sep-21) 2)CARE AAA; Stable (21-May-21) 3)CARE AAA; Stable (21-Apr-21)	-	-	-
31	Debentures-Non Convertible Debentures	LT	18500.00	CARE AAA; Stable	1)CARE AAA; Stable (30-Sep-21) 2)CARE AAA; Stable (21-May-21) 3)CARE AAA; Stable (21-Apr-21)	-	-	-
32	Debentures-Non Convertible Debentures	LT	3200.00	CARE AAA; Stable	1)CARE AAA; Stable (30-Sep-21) 2)CARE AAA; Stable (21-May-21) 3)CARE AAA; Stable	-	-	-

					(21-Apr-21)			
33	Debentures-Market Linked Debentures	LT	1000.00	CARE PP-MLD AAA; Stable	1)CARE PP-MLD AAA; Stable (30-Sep-21) 2)CARE PP-MLD AAA; Stable (21-May-21) 3)CARE PP-MLD AAA; Stable (21-Apr-21)	-	-	-
34	Debt-Perpetual Debt	LT	500.00	CARE AA+; Stable	1)CARE AA+; Stable (30-Sep-21) 2)CARE AA+; Stable (21-May-21) 3)CARE AA+; Stable (21-Apr-21)	-	-	-
35	Fund-based - LT-Term Loan	LT	16850.00	CARE AAA; Stable	1)CARE AAA; Stable (30-Sep-21) 2)CARE AAA; Stable (21-May-21) 3)CARE AAA; Stable (21-Apr-21)	-	-	-
37	Debentures-Non Convertible Debentures	LT	-	-	1)Withdrawn (30-Sep-21)	-	-	-

Annexure 3: List of subsidiaries/associates considered for consolidation as on March 31, 2021

Sr. No	Name of Company
1	L&T Investment Management Limited
2	L&T Mutual Fund Trustee Limited
3	L&T Financial Consultants Limited
4	L&T Infra Investment Partners Advisory Private Limited
5	L&T Infra Investment Partners Trustee Private Limited
6	L&T Finance Limited
7	L&T Capital Markets Limited (divestment of entire stake from April 24, 2020)
8	L&T Infra Credit Limited (formerly known as L&T Infra Debt Fund Limited)
9	Mudit Cement Private Limited
10	L&T Infra Investment Partners Fund
11	L&T capital markets (middle east) Limited

Annexure 4: Complexity levels of the rated instrument

Sr. No	Name of Instrument	Complexity Level
1	Non-Convertible Debentures	Simple
2	Non-Convertible Debentures-public issue	Simple
3	Subordinate Debt	Complex
4	Perpetual Debt	Highly complex
5	Market Linked Debentures	Highly complex
6	Public Issue of Secured Redeemable Non-Convertible Debentures and/or Unsecured Subordinated Redeemable Non-Convertible Debentures	Simple

Sr. No	Name of Instrument	Complexity Level
7	Commercial Paper	Simple
8	Infrastructure Bonds	Simple

Annexure 5: Detailed explanation of covenants of the rated instrument / facilities – Not Applicable

Annexure 6: Bank Lender Details for this Company
To view the lender-wise details of bank facilities please **click here**

Note on complexity levels of the rated instrument: CARE Ratings Ltd. has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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